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<b>Report To:</b>	<b>Inverclyde Integration Joint Board</b>	<b>Date:</b>	<b>23 June 2025</b>
<b>Report By:</b>	<b>Kate Rocks Chief Officer Inverclyde Health &amp; Social Care Partnership</b>	<b>Report No:</b>	<b>IJB/80/2025/MM</b>
<b>Contact Officer:</b>	<b>Margaret McIntyre Head of Children, Families and Justice Inverclyde Health &amp; Social Care Partnership</b>	<b>Contact No:</b>	<b>01475 715282</b>
<b>Subject:</b>	<b>Children &amp; Families Redesign: Foster Carer Fees</b>		

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## **1.0 PURPOSE AND SUMMARY**

1.1 ☒ For Decision ☐ For Information/Noting

1.2 At the IJB on 24 March 2025, members considered and reviewed the children and families budget pressures, as a consequence of the increasing cost of external fostering and residential placements for children looked after away from home. It was identified that the increased costs of continuing care, and the fact that there has been no national funding for the legislation provided to Inverclyde Council by Scottish Government increases budget pressures.

1.3 Ongoing work has identified the need to increase the number of local fostering placements for children and young people. Benchmarking against comparative authorities has established that our fostering fee for carers is one of the lowest nationally and this impacts on our ability to recruit. The IJB were advised that further work would be undertaken to consider increasing our fostering fees to ensure that we attract the quality and the number of foster carers in the short to medium term to provide care for our children and young people in Inverclyde in our local area. Evidence and research demonstrate where children and young people continue to experience care and routine within a family setting that continues to foster the relationships that matter to them with their extended family, school, and community, their outcomes are substantially better. The report provides analysis of the benchmarking activity and seeks to propose an enhanced fostering fee that will retain existing foster carers and attract new fostering households for children and young people in Inverclyde who need to be looked after away from home.

## **2.0 RECOMMENDATIONS**

### **2.1 IJB is asked to:**

- (i) Note the outcome from the analysis of the benchmarking foster carer fees.
- (ii) Approve the proposed increase in foster carer fees to existing foster carer households to £350 per child per week as set out at Option 3 in paragraph 3.13 of this report and note the intended increase of an additional five new fostering households, at an annual additional cost of £350,000.

**Kate Rocks**  
**Chief Officer**  
**Inverclyde Health and Social Care Partnership**

3.0 BACKGROUND AND CONTEXT

- 3.1 Inverclyde HSCP Children and Families services are on a significant transformational journey of service redesign and change to improve outcomes for children and families. IJB members have already considered a range of data, capturing our local challenges around the number of children and young people who require to be looked after away from home. These complex pressures result in children and young people having to be placed in high-cost external provisions, often outwith Inverclyde.
- 3.2 This position reflects a broader context of national challenges, particularly linked to the significant financial pressures for families and carers with the cost-of-living crisis, and for local authorities with the increasing costs of care, for vulnerable children and young people. Previous reports to the IJB evidenced that the most significant budget pressure arises from the increasingly complex combination of risk, need and demand, requiring the provision of external residential and foster care for children and young people. Critically, the human costs are experienced when children’s broader connections to family, friends, schools and communities, are disrupted as most external provision, is often out with Inverclyde.
- 3.3 Inverclyde Council has committed an additional, recurring investment of £700,000 for 2025-2026, to support transformation across HSCP children’s services. In addition to £700,000 the Council also agreed to increase by a further £1.300m to £2.000m over the period 2026/27 to 2027/28.
- 3.4 As reflected in the report to IJB in March 2025, the proportion of Inverclyde’s children who are looked after is illustrated in Figure 1, below, compared with national data:

	Inverclyde	Scotland
Looked after at home (with family)	81%	89%
Kinship care	52%	33%
Internal fostering	20%	24%
External fostering	8%	10%
Residential (internal and external)	20%	10%

Figure 1: Number of looked after children: Inverclyde and Scotland

- 3.5 By comparing local placement data with national data, looked after children from Inverclyde are:
- 8% less likely to be looked after at home.
  - twice as likely to be in a residential placement.
  - 6% less likely to be in a fostering placement.
- 3.6 Furthermore, the number of Inverclyde children in external foster care placements doubled over the past two years, from eight children in 2022 to 16 children in external foster placements in 2024. The financial impact of this demand is reflected in the projected overspend position for the HSCP.
- 3.7 In line with the increase in use of external foster care placements, there are currently 20 fostering households (internal foster carers) registered with Inverclyde Council, having reduced significantly, from 34 in May 2020. This is a reduction in capacity of 41% and the impact of this has been that fewer local placements are available to children who require to be looked after away from their family. This reflects the national picture, where the number of newly registered fostering households has reduced significantly over the past five years across Scotland.

- 3.8 When considering local, benchmarking and national data, the use of foster care placements has been lower in Inverclyde over recent years than the national picture. On average, 19% of looked after children are either in internal or external fostering placements, compared to the average of 30% in other local authority benchmarking areas and 34% nationally. Comparative data also illustrates that Inverclyde uses residential placements twice as often the other local authority benchmarking and national areas.
- 3.9 The average annual cost of an external fostering placement is £64,000. This compares with an average annual cost of an internal foster care placement of £30,000. It is also important to compare this within the range of costs associated with one young person being placed in external residential care provision. The costs of this provision can range from £250,000 to over £350,000 annually per young person.
- 3.10 The Scottish Recommended Allowance, introduced in 2023, provides a national minimum allowance for the child in foster carer, however the skilled payment also known as the fostering fee is a matter for each local authority area to determine the rate. Inverclyde's fostering fee/skilled payment structure is long-standing and has not been reviewed for many years. In comparison other areas it is complex in its design and implementation. A small but significant example is the lowest weekly fee currently paid to foster carers is £195.75 for either one or two children (not per child). In neighbouring local authority areas foster carers simply receive £300 per child per week.
- 3.11 Inverclyde HSCP values the experience and support our existing foster carers provide to our children and recognises that to ensure that we grow and develop our services we need to retain our existing foster carers too. Our ambition is also to attract new local fostering households for our children and young people that maintains relationships, friendships and connections within Inverclyde.
- 3.12 As part of the benchmarking activity, we have then undertaken an options appraisal to consider the optimum fee / skilled payment that reflects our ambitions to grow and develop our fostering households in Inverclyde to provide high quality care and support that is trauma informed whilst supporting the recovery and if possible, the reunification of children and young people to their birth families.
- 3.13 If Inverclyde increased the weekly fee to foster carers, the full year impact of the increase when applied to current fostering households was projected, alongside five additional fostering placements being registered.

Figure 2, below, provides information on this, outlining three options to increase fostering fees. This proposes a clearer fee structure, reflecting the importance of fostering in terms of the commitment of foster carers and the importance of developing a skillset across all stages of a child's development.

<b>Revised weekly fee</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
Per child	£300	£325	£350
Full Year impact of increase	£194,00	£226,000	£259,000
Five additional fostering placements (increase applied)	£78,000	£85,000	£91,000
<b>Total</b>	<b>£272,000</b>	<b>£311,000</b>	<b>£350,000</b>

*Figure 2: Options and costings: additional cost for revised fostering model.*

It is the recommendation of officers that Option 3 is implemented.

## 4.0 PROPOSALS

- 4.1 The costings above consider the additional financial commitment required to increase weekly fostering fees to support retention and ongoing development of existing foster carers, as well as the ability to attract new foster carer households as a key strand of the redesign of children's services and to make a sustainable impact on the longstanding financial burden on the HSCP and ultimately to improve the balance of care.
- 4.2 Given the criticality of needing to increase our local fostering capacity to improve outcomes for children and young people and rebalancing the burden of care and the impact this is having on financial pressures for the HSCP, as a whole. Option 3 has been viewed as having the greatest impact in reducing Inverclyde HSCPs dependency on external care provision and improving our local fostering recruitment and retention strategy.
- 4.3 The enhanced fostering fee for existing and up to five new fostering households would cost an additional £350,000 annually, provided from the additional Council investment in HSCP children's services, referred to above.
- 4.4 It is therefore recommended that IJB members:
- (i) Note the outcome from the analysis of the benchmarking foster carer fees.
  - (ii) Approve the proposed increase in foster carer fees to existing foster carer households to £350 per child per week as set out at Option 3 in paragraph 3.13 of this report and note the intended increase of and additional five new fostering households, at an annual additional cost of £350,000.

## 5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial	X	
Legal/Risk	X	
Human Resources		X
Strategic Plan Priorities	X	
Equalities, Fairer Scotland Duty & Children and Young People		X
Clinical or Care Governance		X
National Wellbeing Outcomes	X	
Environmental & Sustainability		X
Data Protection		X

### 5.2 Finance

The additional annual cost of the proposed increase in fostering fees and number of foster carers is £350,000

One off Costs – N/A

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
Family Placement	Fostering Fees	23/06/25	350		

### 5.3 Legal/Risk

Fostering and Adoption Services in Inverclyde HSCP are governed by the Looked After Children (Scotland) Regulations and Adoption of Children (Scotland) Act 2007. It is the responsibility of Inverclyde HSCP to provide fees, at a discretionary rate, to foster carers and to deliver an optimum level of care for looked after children.

### 5.4 Human Resources

N/A

### 5.5 Strategic Plan Priorities

Activity to increase foster carer fees is intended to retain existing foster carers and attract new foster carers to register with Inverclyde Council. This aligns with the HSCP strategic priorities, namely:

- Provide Early Help and Intervention.
- Support Inclusive, Safe and Resilient Communities.
- Strengthen Support to Families and Carers

### 5.6 Equalities

#### (a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required.
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required.

#### (b) Equality Outcomes

How does this report address our Equality Outcomes?

Equalities Outcome	Implications
We have improved our knowledge of the local population who identify as belonging to protected groups and have a better understanding of the challenges they face.	Protects characteristics.
Children and Young People who are at risk due to local inequalities, are identified early and supported to achieve positive health outcomes.	Positively supports this outcome.
Inverclyde's most vulnerable and often excluded people are supported to be active and respected members of their community.	Positively supports this outcome.
People that are New to Scotland, through resettlement or asylum, who make Inverclyde their home, feel welcomed, are safe, and able to access the HSCP services they may need.	Positively supports C&YP.

(c) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO – Assessed as not relevant under the Fairer Scotland Duty

(d) Children and Young People

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
X	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children's rights.

5.7 **Clinical or Care Governance**

N/A

5.8 **National Wellbeing Outcomes**

How does this report support delivery of the National Wellbeing Outcomes?

National Wellbeing Outcome	Implications
People are able to look after and improve their own health and wellbeing and live in good health for longer.	Supports wellbeing.
People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community	Promotes empowerment across C&F
People who use health and social care services have positive experiences of those services, and have their dignity respected.	Positively promotes and supports.
Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	Positively promotes and supports.
Health and social care services contribute to reducing health inequalities.	Supports.
People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.	Supports.
People using health and social care services are safe from harm.	Aims to keep C&F safe.

People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	Promotes engagement & high quality of services
Resources are used effectively in the provision of health and social care services.	Best value strongly supported.

## 5.9 Environmental/Sustainability

Summarise any environmental / climate change impacts which relate to this report.

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
X	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

## 5.10 Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

## 6.0 DIRECTIONS

6.1	<b>Direction Required to Council, Health Board or Both</b>	Direction to:	
		1. No Direction Required	
		2. Inverclyde Council	X
		3. NHS Greater Glasgow & Clyde (GG&C)	
		4. Inverclyde Council and NHS GG&C	

## 7.0 CONSULTATION

- 7.1 This report builds on the previous extensive work, which includes previous and current on-going consultation with legal, commissioning, procurement, finance officers and on-going engagement with staff, children and families.

## 8.0 BACKGROUND PAPERS

- 8.1 N/A



**INVERCLYDE INTEGRATION JOINT BOARD**  
**DIRECTION ISSUED UNDER S26-28 OF THE PUBLIC BODIES (JOINT WORKING) (SCOTLAND) ACT 2014**

1	Reference number	23.06.25 IJB/80/2025/MM
2	Report Title	Children & Families Redesign: Foster Care Fees
3	Date direction issued by IJB	23rd June 2025
4	Date from which direction takes effect	23rd June 2025
5	Direction to:	Inverclyde Council only
6	Does this direction supersede, revise or revoke a previous direction – if yes, include the reference number(s)	No
7	Functions covered by direction	Children & Families
8	Full text of direction	Inverclyde Council is directed to implement the revised fostering fees structure, ensuring that existing and new foster carers are provided with the new rate of payment, being £350 per child per week.
9	Budget allocated by IJB to carry out direction	As detailed in paragraphs 3.3 and 5.2 of the report.
10	Outcomes	As detailed in paragraphs 5.6 to 5.8 of the report.
11	Performance monitoring arrangements	In line with the agreed Performance Management Framework of the Inverclyde Integration Joint Board and the Inverclyde Health and Social Care Partnership. This Direction will be monitored and progress reported bi-annually.
12	Date direction will be reviewed	June 2026